UNCLASSIFIED SECRET COPY 8 OF 11 COPIES

SANITIZED - DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY [illegible] DATE 6/1/82
RDS or XDS EXT. DATE
TS AUTH. REASON(S)
ENDORSE EXISTING MARKINGS
DECLASSIFIED RELEASABLE
RELEASE DENIED
PA or FOI EXEMPTIONS

C - Mr. Bohlen

April 12, 1952

NSC 129 (Arab States and Israel)

We have now reviewed the draft of NSC 129 (on the Arab States and Israel) which, we understand, is scheduled to come before the NSC at an early meeting.

S/P does not believe that the policy paper or the Staff Study, which is attached as an annex, should be accepted by the Council without several changes.

The modifications of the policy paper which S/P proposed prior to completion of Senior Staff consideration were not adopted, but certain other changes were made. It is our understanding that the Annex was then revised to conform to the modified Policy Statement.

It is still the view of S/P that the paper should be more explicitly directed to the Cold War period and should deal with Iran as well as the Arab States, as earlier versions did, but if it is to be limited to the Arab States and Israel, it is our view that the Policy Statement and Annex should contain a paragraph, at least, indicating that the orientation of Iran to the West can provide a shield behind which the rest of the area could become a problem of manageable proportions. We would therefore suggest the reinsertion of this point from the earlier drafts of the paper after paragraph 4 of the Policy Statement and in paragraph 6 of the Annex to the Staff Study.

It is also still our view that the last of the stated objectives (designated as g) is not an appropriate alternative to a statement indicating that one of our aims should be to seek to identify what we wish to do in the area with the real interests of the people there, and we would therefore suggest, as a minimum, that in the Staff Study the statement of the problem in paragraph 1 be revised to read:

"To

DECLASSIFICATION DATE 6/28/82
PER Ve notes OFFICE NSA
720/5

UNCLASSIFIED

UNCLASSIFIED
TOP SECRET
SECURITY INFORMATION

"To analyze the current situation in the Arab States and Israel to determine the general course of action for safeguarding Western interests in the area and identifying such interests with the true interests of the people in the area."

We believe that the last objective, as presently stated in the paper, suggests an undue regard for the desire of the Arab States "to achieve status and respect for their sovereign equality" whether or not we believe this desire reflects the true interests of the Arab States.

The only other change we would suggest in the policy paper occurs in paragraph 9. We believe that sub-paragraph d should be inserted at the beginning of paragraph b in order to make it clear that the emphasis of the technical cooperation programs should be increasingly directed to urban groups. Paragraph 9b, as revised, would read as follows:

"Continue technical cooperation programs designed to improve the living standards and level of health and education of the rural population, including actions leading to solutions of problems of land tenancy and credit, but place increased emphasis on programs designed to have an early and stabilizing effect upon urban groups."

There are additional changes we believe should be made in the annexed Staff Study; the latest revision of the Study creates a number of difficulties.

1. Paragraphs 15 through 18 are no longer a completely accurate reflection of the situation in Egypt. It is therefore suggested that paragraph 16 and the first sentence of paragraph 17 be deleted, that the word "further" be inserted before the word "political" in the eighth line of paragraph 15, and that the word "Egypt" be substituted for the two words "these countries" at the end of paragraph 18.

2. In order to emphasize the Cold War aspect of the paper, it is suggested that the following new paragraph (embodying material deleted in the latest revision) be added after paragraph 19 of the Staff Study:

"This

UNCLASSIFIED
TOP SECRET
SECURITY INFORMATION

"This process of replacement relates to the problems of the Cold War and is a reflection of the fact that the British alone are unable to exercise the influence necessary to fully maintain and defend Western interests in the area during the Cold War. The U.S. should continue to remain uncommitted with respect to the responsibility it could assume for defense of the area against Soviet attack. The general power of the U.S., however, is a deterrent to such an attack, since a Soviet attack on the area would in all probability provoke general war."

3. Several changes seem desirable in paragraph 21, the present wording of which is confusing. The last sentence should be revised, as indicated:

"The emergence of various states in Asia [comprising the Middle East] as independent members of the world family of nations, and particularly the establishment of the United Nations as a world organization, [has relegated 'gun boat' diplomacy and military tactics to the discard or at least to a position of last resort under the exigencies of global war.] has intensified nationalist aspirations in the area and made obsolete many of the tactics formerly employed to protect Western interests there."

4. In paragraph 29 the following words should be added at the end of the last sentence:

"or for the protection of the Suez Canal as a free international waterway."

5. The last sentence of paragraph 36 of the Staff Study apparently has been inserted to reflect endorsement of the program proposed by Ambassador Locke. This statement may well be desirable, but it does not seem to be particularly relevant to the rest of the paragraph. It would seem to be better, if it is to remain in the paper, to include it as a separate paragraph and to indicate more clearly the beneficial effects from the U.S. point of view of water development and communications projects that could grasp the imagination of the Middle East populations, and particularly the educated urban groups, who need large goals for which to strive.

The general

UNCLASSIFIED
SECURITY INFORMATION

The general view of S/P is that the Staff Study, with the recommendations included therein, is a better NSC statement of policy than the "Policy Paper" to which the Staff Study is now only an annex. The "Policy Paper" seems very thin and not particularly revealing unless it is accompanied by careful reading of the Staff Study itself.

John H. Ferguson

S/P:JHFerguson:mw

UNCLASSIFIED
SECURITY INFORMATION